

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

**COBALT MULTIFAMILY INVESTORS I, LLC,
COBALT MULTIFAMILY CO. I, LLC,
COBALT CAPITAL FUNDING, LLC,
MARK A. SHAPIRO,
IRVING J. STITSKY, and
WILLIAM B. FOSTER,**

Defendants,

and,

VAIL MOUNTAIN TRUST,

Relief Defendant.

**USDS SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 8/3/09**

: 06 Civ. 2360 (KMW)(MHD)

**ORDER APPOINTING TAX ADMINISTRATOR
AND DISTRIBUTION AGENT**

The Court, having considered the Declaration of Nancy A. Brown, executed July 17, 2009, and for good cause shown,

IT IS HEREBY ORDERED:

1. Damasco & Associates is appointed as Tax Administrator to execute all income tax reporting requirements, including the preparation and filing of tax returns, with respect to funds under this Court's jurisdiction in this case (the "Distribution Fund") pursuant to the Plan of Distribution, approved by the Court on June 24, 2009.

2. Damasco & Associates shall be designated the administrator of the Distribution Fund, pursuant to Section 468B(g) of the Internal Revenue Code (IRC), 26

U.S.C. § 468B(g), and related regulations, and shall satisfy the administrative requirements imposed by those regulations, including but not limited to (a) obtaining a taxpayer identification number, (b) filing applicable federal, state, and local tax returns and paying taxes reported thereon out of the Distribution Fund, and (c) satisfying any information, reporting, or withholding requirements imposed on distributions from the Distribution Fund. The Tax Administrator shall contemporaneously provide copies of all such filings to the Commission's counsel of record.

3. The Tax Administrator shall, at such times as the Tax Administrator deems necessary to fulfill the tax obligations of the Distribution Fund, request that the Commission's counsel of record file with the Court a motion, supported by the Tax Administrator's declaration of the amount of taxes due, to transfer funds from the Distribution Fund on deposit with the Court to pay any tax obligations of the Distribution Fund.

4. The Tax Administrator shall be entitled to charge reasonable fees for tax compliance services and related expenses in accordance with its agreement with the Commission. The Tax Administrator shall, at such times as the Tax Administrator deems appropriate, submit a declaration of fees and expenses to the Commission's counsel of record for submission to the Court for approval and for payment from the Distribution Fund. No fees or expenses may be paid absent the Court's prior approval.

5. At least ten (10) days before any motion to pay fees and expenses is filed with the Court, the Tax Administrator shall provide the Commission counsel of record with a draft of the supporting declaration for review. If the Commission has any corrections or objections to the declaration, the Tax Administrator and the Commission's counsel shall

attempt to resolve them on a consensual basis. If a consensual resolution is not reached, the Commission may submit with the motion any objections along with the Tax Administrator's response thereto.

6. Rust Consulting, Inc. is appointed as Distribution Agent to administer the Distribution Fund, including taking control of the funds, calculating distribution amounts, verifying addresses of claimants, preparing and mailing distribution checks, processing claim objections, receiving and processing settlement-related correspondence from claimants, and establishing a website to provide information and answer claimant questions.

7. The Distribution Agent shall be entitled to charge reasonable fees for services and related expenses in accordance with its agreement with the Commission. The Distribution Agent shall, at such times as the Distribution Agent deems appropriate, submit a declaration of fees and expenses to the Commission's counsel of record for submission to the Court for approval and for payment from the Distribution Fund. No fees or expenses may be paid absent the Court's prior approval.

8. At least ten (10) days before any motion to pay fees and expenses is filed with the Court, the Distribution Agent shall provide the Commission counsel of record with a draft of the supporting declaration for review. If the Commission has any corrections or objections to the declaration, the Distribution Agent and the Commission's counsel shall attempt to resolve them on a consensual basis. If a consensual resolution is not reached, the

Commission may submit with the motion any objections along with the Distribution

Agent's response thereto.

Dated: 8-3-09

Michael M. Wood
UNITED STATES DISTRICT JUDGE